A1775-1

Quarterly Report of
Gas Industry Operations

THIRD
QUARTER
1984

AGA
American Gas Association

Department of Statistics
American Gas Association
1515 Wilson Blvd., Arlington, Virginia 22209
Telephone (703) 841-8400

Part I. Gas Utility Industry Operating Trends

Income Statement

Total operating revenues for the twelve month period ending September 30, 1984 were $119,204 million, a 2.9 percent increase over the same period a year ago. At the same time, operating expenses rose 2.0 percent to $112,211 million. Total interest expense rose 0.5 percent during the period and net income rose 21.6 percent.

Prices

Average U.S. residential gas prices rose from $6.79/MMBtu in the third quarter 1983 to $6.97/MMBtu in the third quarter 1984, a 2.7 percent increase. Commercial gas prices increased 1.3 percent while industrial prices increased 0.2 percent during the same period.

Customers, Sales, Revenues

The total number of customers in the third quarter 1984 increased 1.3 percent over the third quarter 1983 to 48,350,400.

Total sales in the third quarter 1984 decreased 1.8 percent from the third quarter 1983, while the twelve months ending September 30, 1984 recorded an increase of 3.3 percent from the twelve months ending September 30, 1983.

Third quarter 1984 total revenues decreased 0.8 percent over the third quarter 1983, while total revenues for the twelve months ending September 30, 1984 increased 4.7 percent over the same period ending September 30, 1983.

See Table 1 and Table 2 for detailed data on sales, revenues and customers.

INVESTOR-OWNED GAS UTILITY INDUSTRY INCOME STATEMENT
(Millions of Dollars)

	Twelve Months Ended 9/30/84	Twelve Months Ended 9/30/83	Percent Change 9/30/83-84
Total Operating Revenues	$119,204	$115,788	+ 2.9
Operating Expenses:			
Operation Expenses	$ 99,770	$ 99,047	+ 0.7
Maintenance Expenses	1,607	1,552	+ 3.5
Depreciation, Retirement, Depletion, Amortization, etc.	3,300	3,102	+ 6.4
Federal Income Taxes	3,855	2,865	+ 34.5
All Other Taxes	3,679	3,420	+ 7.6
Total Operating Expenses	112,211	109,986	+ 2.0
Operating Income	6,993	5,802	+ 20.5
Other Income - Net	2,871	2,958	- 2.9
Income Before Interest Charges	9,864	8,760	+ 12.6
Interest on Long-term Debt	3,146	3,085	+ 2.0
Other Interest Expense (Net)	613	656	- 6.6
Total Interest Expense	$ 3,759	$ 3,741	+ 0.5
Net Income	$ 6,105	$ 5,019	+ 21.6
Utility Plant Value	$ 84,361	$ 80,489	+ 4.8
Accumulated Provision for Depreciation	$ 35,178	$ 32,196	+ 9.3

Explanatory Notes

The gas utility industry is defined to be distribution and transmission companies. The income statement includes operations of mixed and manufactured gas utilities. Because this segment of the gas industry accounts for less than two percent of total operating revenues, the income statement can be considered to be representative of the natural gas utility industry.

The composite income account includes revenues from sales to ultimate consumers and from sales for resale. It should not be interpreted as a "net" or "consolidated" statement since the duplicative effect of including both pipeline sales for resale and distribution company sales to ultimate consumers has not been eliminated.

The data presented have been expanded from the reports received on the basis of their relationship to total industry data. For combination companies appropriate allocation of long-term debt-interest and net income is made so that the data properly reflect the financial picture of distribution and pipeline company gas operations.

Although the composite income statement is confined to all investor-owned companies, municipal operations are included in the data for customers, sales and revenues of "Gas Utility Industry Operating Trends" reported in Part II. Totals may not equal the sum of their parts, due to independent rounding.

Table 1—Gas Utility Industry Customers, Sales and Revenues, United States, THIRD QUARTER 1984

	Quarter Ending September 30		Percent Change	Twelve Months Ending September 30		Percent Change
	1984	1983		1984	1983	
CUSTOMERS (Thousands)						
Residential	45,043.5	44,512.0	+ 1.2	SEE		
Commercial	3,685.6	3,611.3	+ 2.1			
Industrial	182.2	180.8	+ 0.8		QUARTERLY	
Other	46.8	46.3	+ 1.1			
TOTAL	48,958.1	48,350.4	+ 1.3			DATA
SALES (Trillions of Btu)						
Residential	380.3	382.4	- 0.5	4,689.9	4,401.3	+ 6.6
Commercial	272.6	277.5	- 1.8	2,406.4	2,299.2	+ 4.7
Industrial	1,507.7	1,540.7	- 2.1	6,078.9	6,049.4	+ 0.5
Other	20.4	20.3	+ 0.5	142.5	142.2	+ 0.2
TOTAL	2,181.0	2,220.9	- 1.8	13,317.7	12,892.1	+ 3.3
REVENUES (Thousands $)						
Residential	2,651,230	2,597,847	+ 2.1	27,701,442	25,427,857	+ 8.9
Commercial	1,538,410	1,544,337	- 0.4	13,277,110	12,422,229	+ 6.9
Industrial	6,558,260	6,682,247	- 1.9	26,444,165	26,480,298	- 0.1
Other	89,378	95,902	- 6.8	678,536	702,871	- 3.5
TOTAL	10,837,278	10,920,333	- 0.8	68,101,253	65,033,255	+ 4.7

Table 2—Gas Utility Industry Customers, Sales and Revenues, By Division, THIRD QUARTER 1984

NEW ENGLAND DIVISION

MIDDLE ATLANTIC DIVISION

EAST NORTH CENTRAL DIVISION

	Quarter Ending September 30		Percent Change	Quarter Ending September 30		Percent Change	Quarter Ending September 30		Percent Change
	1984	1983		1984	1983		1984	1983	
CUSTOMERS (Thousands)									
Residential	1,647.2	1,628.6	+ 1.1	7,678.1	7,622.5	+ 0.7	10,079.9	10,016.8	+ 0.6
Commercial	134.2	130.3	+ 3.0	579.2	566.2	+ 2.3	798.1	785.5	+ 1.6
Industrial	9.0	8.9	+ 1.5	22.3	22.5	- 0.8	47.2	46.6	+ 1.3
Other	4.0	4.1	- 1.9	10.6	10.5	+ 1.4	3.9	3.9	+ 0.6
TOTAL	1,794.4	1,771.9	+ 1.3	8,290.2	8,221.7	+ 0.8	10,929.1	10,852.8	+ 0.7
SALES (Trillions of Btu)									
Residential	12.7	12.3	+ 3.0	65.5	62.4	+ 5.0	98.5	97.9	+ 0.6
Commercial	10.4	10.1	+ 2.9	36.0	34.2	+ 5.4	55.6	53.3	+ 4.4
Industrial	31.2	30.1	+ 3.6	81.2	98.7	- 17.8	187.8	206.4	- 9.0
Other	0.5	0.5	+ 6.2	4.2	4.2	- 0.3	0.9	0.9	+ 2.2
TOTAL	54.8	53.0	+ 3.4	186.9	199.5	- 6.3	342.8	358.5	- 4.4
REVENUES (Thousands $)									
Residential	118,128	118,389	- 0.2	546,883	531,006	+ 3.0	649,355	642,989	+ 1.0
Commercial	70,591	70,366	+ 0.3	230,798	222,071	+ 3.9	293,714	288,294	+ 1.9
Industrial	142,232	135,433	+ 5.0	412,043	499,991	- 17.6	834,260	962,904	- 13.4
Other	2,848	2,140	+ 33.1	22,428	25,809	- 13.1	4,401	4,551	- 3.3
TOTAL	333,799	326,328	+ 2.3	1,212,152	1,278,877	- 5.2	1,781,730	1,898,738	- 6.2

BEST AVAILABLE COPY

TABLE 2—CONTINUED

WEST NORTH CENTRAL DIVISION

SOUTH ATLANTIC DIVISION

EAST SOUTH CENTRAL DIVISION

	Quarter Ending September 30		Percent	Quarter Ending September 30		Percent	Quarter Ending September 30		Percent
	1984	1983	Change	1984	1983	Change	1984	1983	Change
CUSTOMERS (Thousands)									
Residential	3,860.7	3,832.3	+ 0.7	3,896.0	3,822.2	+ 1.9	2,009.7	1,988.4	+ 1.1
Commercial	413.1	398.2	+ 3.7	343.9	334.9	+ 2.7	194.9	191.5	+ 1.8
Industrial	13.7	13.3	+ 2.8	14.7	14.3	+ 2.5	6.4	6.3	+ 1.1
Other	1.8	1.8	- 1.8	5.4	5.4	+ 0.9	9.9	9.6	+ 3.0
TOTAL	4,289.3	4,245.6	+ 1.0	4,260.0	4,176.8	+ 2.0	2,220.9	2,195.8	+ 1.1
SALES (Trillions of Btu)									
Residential	30.6	32.7	- 6.5	27.2	27.1	+ 0.4	14.1	14.3	- 1.1
Commercial	32.8	35.6	- 7.9	33.1	33.4	- 0.9	13.3	12.7	+ 5.1
Industrial	90.1	88.8	+ 1.4	134.1	143.2	- 6.4	99.4	88.8	+ 12.0
Other	1.4	1.2	+ 20.5	1.7	1.5	+ 16.1	1.9	2.0	- 3.7
TOTAL	154.9	158.3	- 2.2	196.1	205.2	- 4.4	128.7	117.8	+ 9.2
REVENUES (Thousands $)									
Residential	203,512	205,526	- 1.0	213,625	202,642	+ 5.4	88,956	88,084	+ 1.0
Commercial	152,438	159,654	- 4.5	189,238	186,680	+ 1.4	68,929	64,813	+ 6.4
Industrial	352,711	353,170	- 0.1	575,904	610,262	- 5.6	372,517	359,955	+ 3.5
Other	4,618	4,012	+ 15.1	7,846	7,068	+ 11.0	8,025	8,265	- 2.9
TOTAL	713,279	722,362	- 1.3	986,613	1,006,652	- 2.0	538,427	521,117	+ 3.3

WEST SOUTH CENTRAL DIVISION

MOUNTAIN DIVISION

PACIFIC DIVISION

	Quarter Ending September 30		Percent	Quarter Ending September 30		Percent	Quarter Ending September 30		Percent
	1984	1983	Change	1984	1983	Change	1984	1983	Change
CUSTOMERS (Thousands)									
Residential	5,271.0	5,213.1	+ 1.1	2,662.3	2,586.8	+ 2.9	7,938.6	7,801.3	+ 1.8
Commercial	466.4	463.2	+ 0.7	269.2	263.7	+ 2.1	486.6	477.8	+ 1.9
Industrial	24.0	23.2	+ 3.4	6.9	7.2	- 4.2	38.0	38.5	- 1.2
Other	7.6	7.4	+ 2.6	3.1	3.1	+ 1.0	0.5	0.5	- 3.5
TOTAL	5,769.0	5,706.9	+ 1.1	2,941.5	2,860.8	+ 2.8	8,463.7	8,318.1	+ 1.8
SALES (Trillions of Btu)									
Residential	39.7	40.3	- 1.4	20.0	20.4	- 1.8	72.0	75.0	- 4.0
Commercial	31.6	33.3	- 5.0	16.7	16.8	- 0.4	43.1	48.1	- 10.3
Industrial	518.3	572.8	- 9.5	61.3	58.3	+ 5.2	304.3	253.6	+ 20.0
Other	6.7	6.9	- 2.7	2.2	2.2	- 2.1	0.9	0.9	- 3.3
TOTAL	596.3	653.3	- 8.7	100.2	97.7	+ 2.6	420.3	377.6	+ 11.3
REVENUES (Thousands $)									
Residential	255,070	244,906	+ 4.2	139,876	121,168	+ 15.4	435,825	443,137	- 1.6
Commercial	155,093	159,053	- 2.5	91,444	86,065	+ 6.3	286,165	307,341	- 6.9
Industrial	2,021,861	2,187,214	- 7.6	246,030	231,123	+ 6.5	1,600,702	1,342,195	+ 19.3
Other	24,716	29,564	- 16.4	9,937	9,564	+ 3.9	4,559	4,929	- 7.5
TOTAL	2,456,740	2,620,737	- 6.3	487,287	447,920	+ 8.8	2,327,251	2,097,602	+ 10.9

BEST AVAILABLE COPY

Average Gas Prices for the Third Quarter 1984

($/MMBtu)

	Residential		Commercial		Industrial	
	3rd Qtr 1984	Percent Change*	3rd Qtr 1984	Percent Change*	3rd Qtr 1984	Percent Change*
US	6.97	+ 2.7	5.64	+ 1.3	4.35	+ 0.2
NE	9.32	- 3.2	6.79	- 2.6	4.56	+ 1.3
MA	8.35	- 1.9	6.40	- 1.4	5.08	+ 0.2
ENC	6.59	+ 0.3	5.28	- 2.4	4.44	- 4.9
WNC	6.66	+ 5.9	4.65	+ 3.8	3.92	- 1.5
SA	7.85	+ 5.0	5.72	+ 2.3	4.30	+ 0.9
ESC	6.29	+ 2.1	5.16	+ 1.2	3.75	- 7.4
WSC	6.42	+ 5.6	4.90	+ 2.5	3.90	+ 2.1
M	6.98	+ 17.5	5.46	+ 6.6	4.01	+ 1.3
P	6.06	+ 2.5	6.64	+ 3.9	5.26	- 0.6

*Compared with the same quarter in 1983.

Average Gas Prices for the Year Ending
September 30, 1984
($/MMBtu)

	Residential		Commercial		Industrial	
	Price	Percent Change*	Price	Percent Change*	Price	Percent Change*
US	5.91	+ 2.2	5.52	+ 2.2	4.35	- 0.7
NE	7.74	- 8.7	6.85	- 5.9	4.88	- 4.9
MA	6.90	- 0.9	6.26	+ 1.8	5.17	0.0
ENC	5.59	+ 2.9	5.16	+ 2.2	4.54	- 2.2
WNC	5.48	+ 0.4	5.02	+ 2.0	4.00	- 3.2
SA	6.65	+ 4.6	5.85	+ 3.7	4.41	+ 0.5
ESC	5.38	- 2.2	4.97	- 2.9	3.93	- 6.7
WSC	5.24	+ 1.9	4.88	+ 3.4	3.81	0.0
M	5.46	+ 3.8	5.05	- 0.4	4.05	+ 1.8
P	5.66	+ 9.9	6.49	+ 9.1	5.19	- 1.1

*Compared with the same year ending, September 30, 1983.

APPLIANCE AND HOUSING STATISTICS
(Thousands)

APPLIANCE SHIPMENTS	1984 Third Quarter	Percent Change[a]	Past Twelve Months	Percent Change[b]
Central Heating Equipment				
Warm Air Furnaces				
Gas	504.4	+ 15.8	1,827.1	+ 19.4
Oil[c]	40.9	+ 9.4	140.9	+ 19.3
Electric	93.0	- 7.2	364.4	+ 17.5
Boilers				
Gas	47.4	+ 24.4	167.2	+ 14.4
Oil[c]	27.1	+ 20.4	89.4	+ 10.1
Other Gas Heating Equipment				
Wall Furnaces	48.3	+ 9.0	173.7	+ 7.6
Floor Furnaces	5.2	+ 6.1	19.6	- 2.5
Recreational Vehicle Heating Systems	34.8	- 21.3	191.2	+ 19.6
Major Appliances				
Residential Ranges				
Gas	439.5	+ 13.0	1,701.3	+ 13.1
Electric	789.7	+ 10.4	3,041.3	+ 17.4
Residential Water Heaters				
Gas[c]	772.4	+ 8.0	3,407.4	+ 9.1
Electric[c]	835.3	+ 5.8	3,431.0	+ 13.9
Commercial Water Heaters				
Gas[c]	43.5	+ 2.1	197.5	+ 12.3
Electric[c]	4.7	+ 0.0	20.4	+ 7.9
Clothes Dryers				
Gas	185.1	+ 10.5	733.3	+ 14.9
Electric	727.4	+ 9.4	2,862.1	+ 15.6
HOUSING				
Total Housing Starts	458.0	- 7.1	1,776.0	+ 10.9
Single-Family Starts	281.0	- 8.8	1,086.0	+ 6.8
Total Housing Completions (private)	442.0	+ 8.3	1,625.0	+ 28.4
Mobile Home Shipments	78.8	- 3.6	297.9	+ 5.8

[a]Compared with same period in 1983.

[b]Past twelve months compared with same period a year ago.

[c]Data not expanded.

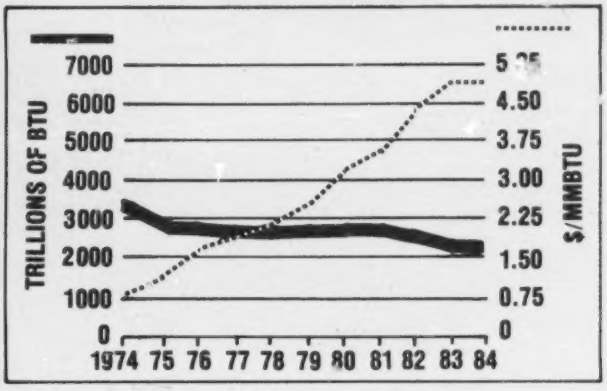
Sources: Gas Appliance Manufacturers Association, Statistical Highlights.
U.S. Department of Commerce, Housing Starts and Housing Completions.

Part II. Gas Utility Industry Historical Trends

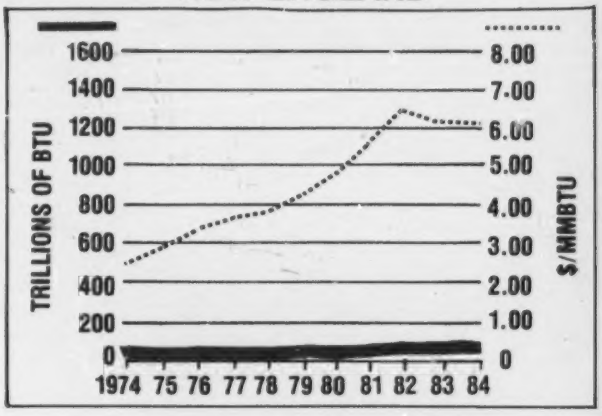
THIRD QUARTER GAS UTILITY SALES & PRICES

SALES PRICES

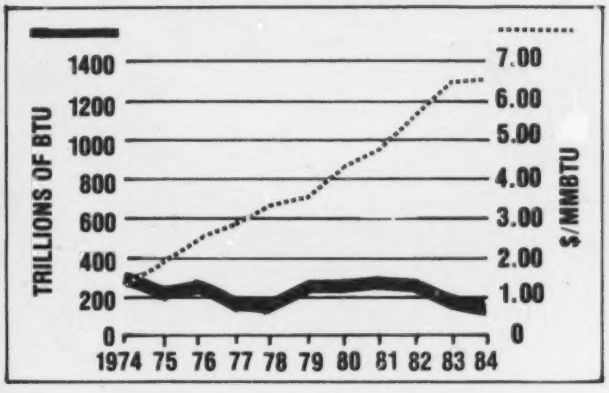
UNITED STATES



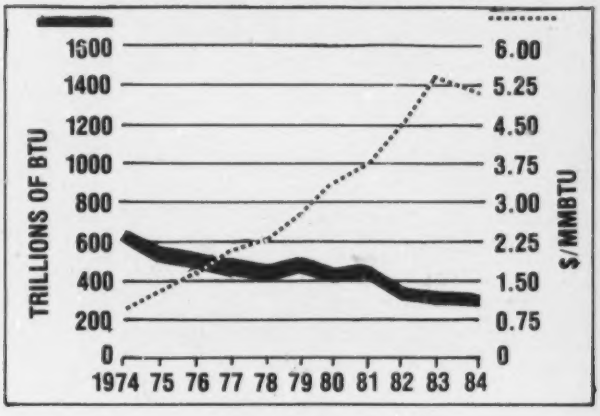
NEW ENGLAND



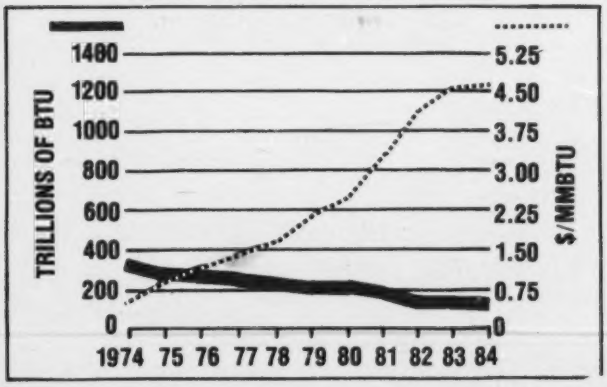
MIDDLE ATLANTIC



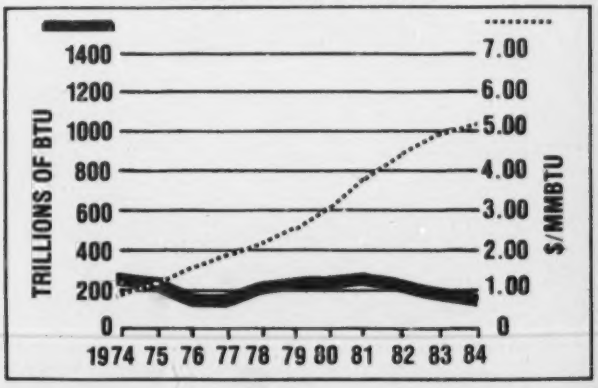
EAST NORTH CENTRAL



WEST NORTH CENTRAL



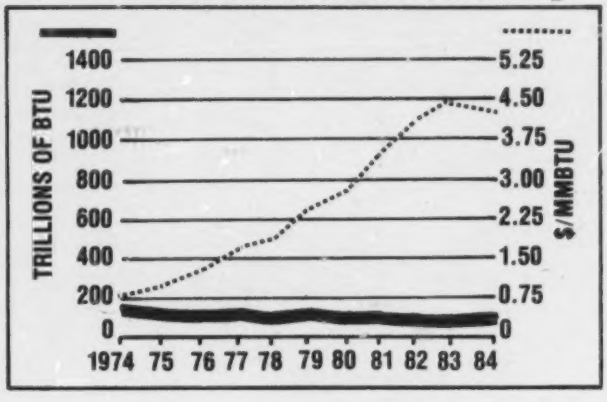
SOUTH ATLANTIC



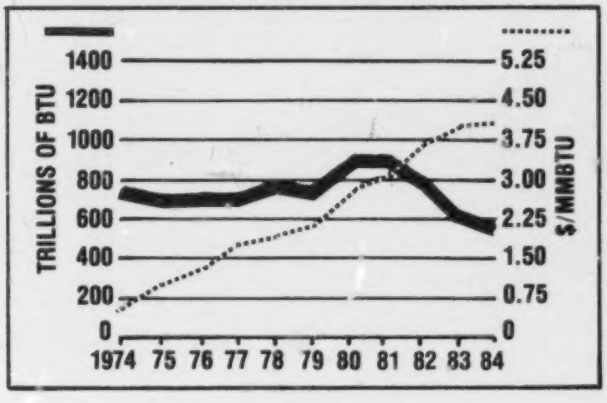
THIRD QUARTER GAS UTILITY SALES & PRICES

SALES **PRICES**

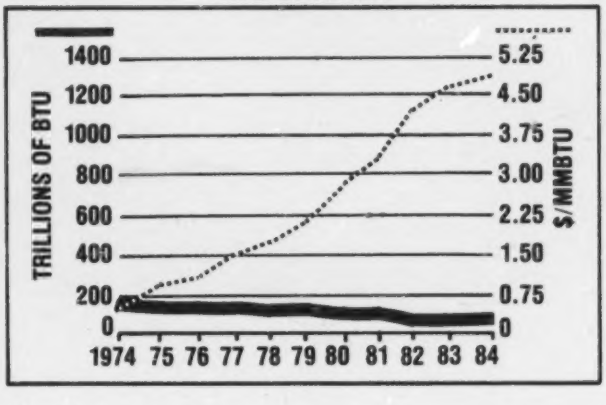
EAST SOUTH CENTRAL



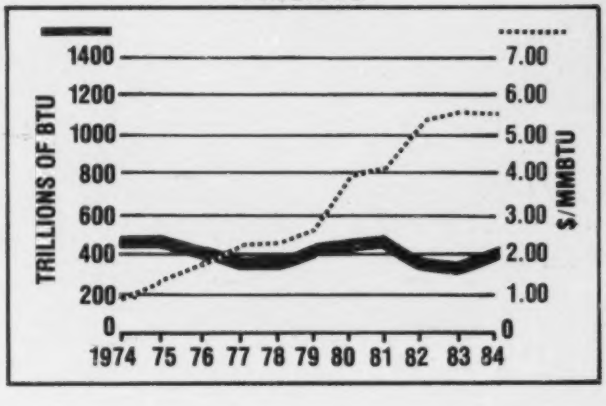
WEST SOUTH CENTRAL



MOUNTAIN



PACIFIC



AMERICAN GAS ASSOCIATION

Department of Statistics
1515 Wilson Boulevard
Arlington, Virginia 22209

EDITOR - Mark Wal
(703/841-8507)

Printed in U.S.A.
Catalog Number F00872

A1775-1

Quarterly Report of
Gas Industry Operations

FOURTH QUARTER 1984

American Gas Association
1515 Wilson Blvd., Arlington, Virginia 22209
Telephone (703) 841-8400

Part I. Gas Utility Industry Operating Trends

Income Statement

Total operating revenues for the twelve month period ending December 31, 1984 were $115,957 million, a 0.1 percent decrease over the same period a year ago. At the same time, operating expenses decreased 0.6 percent to $109,450 million. Total interest expense decreased 2.0 percent during the period and net income rose 12.8 percent.

Prices

Average U.S. residential gas prices rose from $5.90/MMBtu in the fourth quarter 1983 to $6.03/MMBtu in the fourth quarter 1984, a 2.2 percent increase. Commercial gas prices increased 1.1 percent while industrial prices decreased 0.2 percent during the same period.

Customers, Sales, Revenues

The total number of customers in the fourth quarter 1984 increased 1.4 percent over the fourth quarter 1983 to 49,651,000.

Total sales in the fourth quarter 1984 decreased 4.4 percent from the fourth quarter 1983, while the twelve months ending December 31, 1984 recorded an increase of 2.4 percent from the twelve months ending December 31, 1983.

Fourth quarter 1984 total revenues decreased 3.7 percent over the fourth quarter 1983, while total revenues for the twelve months ending December 31, 1984 increased 2.5 percent over the same period ending December 31, 1983.

See Table 1 and Table 2 for detailed data on sales, revenues and customers.

INVESTOR-OWNED GAS UTILITY INDUSTRY INCOME STATEMENT
(Millions of Dollars)

	Twelve Months Ended 12/31/84	12/31/83	Percent Change 12/31/83-84
Total Operating Revenues	$115,957	$116,096	- 0.1
Operating Expenses:			
Operation Expenses	$ 97,508	$ 98,933	- 1.4
Maintenance Expenses	1,623	1,562	+ 3.9
Depreciation, Retirement, Depletion, Amortization, etc.	3,333	3,139	+ 6.2
Federal Income Taxes	3,155	2,996	+ 5.3
All Other Taxes	3,831	3,512	+ 9.1
Total Operating Expenses	109,450	110,142	- 0.6
Operating Income	6,507	5,954	+ 9.3
Other Income - Net	2,797	2,763	+ 1.2
Income Before Interest Charges	9,304	8,717	+ 6.7
Interest on Long-term Debt	2,981	2,963	+ 0.6
Other Interest Expense (Net)	510	599	- 14.9
Total Interest Expense	$ 3,491	$ 3,562	- 2.0
Net Income	$ 5,813	$ 5,155	+ 12.8
Utility Plant Value	$ 85,453	$ 82,038	+ 4.2
Accumulated Provision for Depreciation	$ 35,634	$ 34,208	+ 4.2

Explanatory Notes

The gas utility industry is defined to be distribution and transmission companies. The income statement includes operations of mixed and manufactured gas utilities. Because this segment of the gas industry accounts for less than two percent of total operating revenues, the income statement can be considered to be representative of the natural gas utility industry.

The composite income account includes revenues from sales to ultimate consumers and from sales for resale. It should not be interpreted as a "net" or "consolidated" statement since the duplicative effect of including both pipeline sales for resale and distribution company sales to ultimate consumers has not been eliminated.

The data presented have been expanded from the reports received on the basis of their relationship to total industry data. For combination companies appropriate allocation of long-term debt interest and net income is made so that the data properly reflect the financial picture of distribution and pipeline company gas operations.

Although the composite income statement is confined to all investor-owned companies, municipal operations are included in the data for customers, sales and revenues of "Gas Utility Industry Operating Trends" reported in Part II. Totals may not equal the sum of their parts, due to independent rounding.

Table 1—Gas Utility Industry Customers, Sales and Revenues, United States, FOURTH QUARTER 1984

	Quarter Ending December 31		Percent Change	Twelve Months Ending December 31		Percent Change
	1984	1983		1984	1983	
CUSTOMERS (Thousands)						
Residential	45,637.3	45,035.4	+ 1.3	SEE		
Commercial	3,784.8	3,684.6	+ 2.7			
Industrial	181.7	181.2	+ 0.3		QUARTERLY	
Other	47.2	46.9	+ 0.6			
TOTAL	49,651.0	48,948.1	+ 1.4			DATA
SALES (Trillions of Btu)						
Residential	1,140.0	1,215.2	- 6.2	4,614.7	4,450.2	+ 3.7
Commercial	593.9	621.6	- 4.5	2,378.7	2,298.4	+ 3.5
Industrial	1,445.8	1,488.7	- 2.9	6,036.0	5,970.0	+ 1.1
Other	35.3	37.0	- 4.6	140.8	140.4	+ 0.3
TOTAL	3,215.0	3,362.5	- 4.4	13,170.2	12,859.0	+ 2.4
REVENUES (Thousands $)						
Residential	6,868,893	7,173,015	- 4.2	27,397,320	26,173,122	+ 4.7
Commercial	3,313,341	3,428,588	- 3.4	13,161,863	12,658,718	+ 4.0
Industrial	6,299,018	6,506,193	- 3.2	26,236,990	26,314,873	- 0.3
Other	170,450	182,398	- 6.6	666,588	689,956	- 3.4
TOTAL	16,651,702	17,290,194	- 3.7	67,462,761	65,836,669	+ 2.5

Table 2—Gas Utility Industry Customers, Sales and Revenues, By Division, FOURTH QUARTER 1984

NEW ENGLAND DIVISION

MIDDLE ATLANTIC DIVISION

EAST NORTH CENTRAL DIVISION

	Quarter Ending December 31		Percent Change	Quarter Ending December 31		Percent Change	Quarter Ending December 31		Percent Change
	1984	1983		1984	1983		1984	1983	
CUSTOMERS (Thousands)									
Residential	1,662.3	1,641.9	+ 1.2	7,707.6	7,656.3	+ 0.7	10,223.2	10,146.1	+ 0.8
Commercial	137.2	133.5	+ 2.8	586.7	574.1	+ 2.2	814.8	799.1	+ 2.0
Industrial	9.2	9.1	+ 0.5	22.5	22.7	- 0.7	47.7	47.1	+ 1.2
Other	4.0	4.0	- 0.4	10.5	10.4	+ 1.4	3.9	3.9	+ 1.1
TOTAL	1,812.7	1,788.5	+ 1.4	8,327.3	8,263.5	+ 0.8	11,089.6	10,996.2	+ 0.8
SALES (Trillions of Btu)									
Residential	34.4	36.4	- 5.5	180.5	198.0	- 8.8	363.5	408.7	- 11.1
Commercial	21.1	20.9	+ 1.2	80.7	85.6	- 5.7	169.5	183.4	- 7.6
Industrial	26.0	25.4	+ 2.3	105.0	119.0	- 11.8	239.0	284.5	- 16.0
Other	0.9	0.8	+ 8.2	9.7	10.6	- 10.3	2.2	2.2	- 1.4
TOTAL	82.4	83.5	- 1.3	375.9	413.2	- 9.0	774.2	878.8	- 11.9
REVENUES (Thousands $)									
Residential	281,412	283,882	- 0.9	1,289,760	1,411,270	- 8.6	2,106,517	2,292,436	- 8.1
Commercial	147,707	141,999	+ 4.0	496,384	537,619	- 7.7	893,896	962,213	- 7.1
Industrial	133,424	128,132	+ 4.1	535,357	617,269	- 13.3	1,116,150	1,303,305	- 14.4
Other	5,215	4,603	+ 13.3	55,906	62,187	- 10.1	11,195	11,331	- 1.2
TOTAL	567,758	558,616	+ 1.6	2,377,407	2,628,345	- 9.5	4,127,758	4,568,285	- 9.6

TABLE 2—CONTINUED

WEST NORTH CENTRAL DIVISION

SOUTH ATLANTIC DIVISION

EAST SOUTH CENTRAL DIVISION

	Quarter Ending December 31		Percent	Quarter Ending December 31		Percent	Quarter Ending December 31		Percent
	1984	1983	Change	1984	1983	Change	1984	1983	Change
CUSTOMERS (Thousands)									
Residential	3,918.5	3,881.6	+ 1.0	3,979.3	3,901.3	+ 2.0	2,063.0	2,035.7	+ 1.3
Commercial	423.5	403.3	+ 5.0	353.4	342.6	+ 3.2	210.6	206.2	+ 2.2
Industrial	13.7	13.2	+ 3.7	14.6	14.2	+ 2.6	6.7	6.5	+ 2.5
Other	1.8	1.8	- 1.8	5.4	5.3	+ 1.0	10.3	10.3	0.0
TOTAL	4,357.5	4,299.9	+ 1.3	4,352.7	4,263.4	+ 2.1	2,290.6	2,258.7	+ 1.4
SALES (Trillions of Btu)									
Residential	117.0	133.1	- 12.1	79.0	81.4	- 3.0	41.1	44.7	- 8.0
Commercial	72.3	77.1	- 6.2	57.7	59.4	- 2.9	26.8	28.3	- 5.4
Industrial	112.6	109.8	+ 2.5	144.4	148.5	- 2.8	97.1	92.5	+ 5.0
Other	1.3	1.4	- 8.0	2.0	1.9	+ 7.2	3.5	3.9	- 10.6
TOTAL	303.2	321.4	- 5.7	283.1	291.2	- 2.8	168.5	169.4	- 0.5
REVENUES (Thousands $)									
Residential	625,747	713,671	- 12.3	528,090	536,350	- 1.5	228,338	243,951	- 6.4
Commercial	369,260	382,653	- 3.5	334,913	343,149	- 2.4	136,600	142,633	- 4.2
Industrial	459,352	456,522	+ 0.6	637,853	663,739	- 3.9	378,427	386,940	- 2.2
Other	4,386	4,873	- 10.0	9,224	9,097	+ 1.4	15,870	17,065	- 7.0
TOTAL	1,458,745	1,557,719	- 6.4	1,510,080	1,552,335	- 2.7	759,235	790,589	- 4.0

WEST SOUTH CENTRAL DIVISION

MOUNTAIN DIVISION

PACIFIC DIVISION

	Quarter Ending December 31		Percent	Quarter Ending December 31		Percent	Quarter Ending December 31		Percent
	1984	1983	Change	1984	1983	Change	1984	1983	Change
CUSTOMERS (Thousands)									
Residential	5,330.8	5,272.3	+ 1.1	2,719.8	2,631.1	+ 3.4	8,032.8	7,869.1	+ 2.1
Commercial	484.0	473.7	+ 2.2	278.2	269.1	+ 3.4	496.4	483.0	+ 2.8
Industrial	22.3	22.9	- 2.6	6.6	7.0	- 5.7	38.4	38.5	- 0.2
Other	7.5	7.5	+ 0.3	3.3	3.2	+ 1.7	0.5	0.5	- 3.5
TOTAL	5,844.6	5,776.4	+ 1.2	3,007.9	2,910.4	+ 3.4	8,568.1	8,391.1	+ 2.1
SALES (Trillions of Btu)									
Residential	98.6	113.2	- 12.9	70.5	60.1	+ 17.4	155.4	139.6	+ 11.3
Commercial	53.2	60.5	- 12.1	45.8	40.3	+ 13.5	66.8	66.1	+ 1.0
Industrial	388.9	446.4	- 12.9	51.3	59.4	- 13.6	281.5	203.2	+ 38.5
Other	10.8	11.6	- 6.9	4.3	3.9	+ 9.3	0.6	0.7	- 9.9
TOTAL	551.5	631.7	- 12.7	171.9	163.7	+ 5.0	504.3	409.6	+ 23.1
REVENUES (Thousands $)									
Residential	512,127	588,990	- 13.0	393,008	326,256	+ 20.5	903,894	777,209	+ 16.3
Commercial	256,321	295,675	- 13.3	235,694	201,637	+ 16.9	442,566	421,010	+ 5.1
Industrial	1,447,588	1,666,768	- 13.1	209,672	239,215	- 12.3	1,381,195	1,044,303	+ 32.3
Other	44,666	51,877	- 13.9	20,021	16,938	+ 18.2	3,967	4,427	- 10.4
TOTAL	2,260,702	2,603,310	- 13.2	858,395	784,046	+ 9.5	2,731,622	2,246,949	+ 21.6

Average Gas Prices for the Fourth Quarter 1984

($/MMBtu)

	Residential		Commercial		Industrial	
	4th Qtr 1984	Percent Change*	4th Qtr 1984	Percent Change*	4th Qtr 1984	Percent Change*
US	6.03	+ 2.2	5.58	+ 1.1	4.36	- 0.2
NE	8.18	+ 4.9	6.99	+ 3.0	5.13	+ 1.8
MA	7.14	+ 0.1	6.15	- 2.1	5.10	- 1.7
ENC	5.80	+ 3.4	5.27	+ 0.4	4.67	+ 2.0
WNC	5.35	- 0.2	5.11	+ 3.0	4.08	- 1.9
SA	6.69	+ 1.5	5.81	+ 0.5	4.42	- 1.1
ESC	5.55	+ 1.7	5.10	+ 1.2	3.90	- 6.7
WSC	5.20	+ 0.0	4.82	- 1.4	3.72	- 0.3
M	5.57	+ 2.6	5.15	+ 3.0	4.09	+ .5
P	5.82	+ 4.5	6.63	+ 4.1	4.91	- 4.5

*Compared with the same quarter in 1983.

Average Gas Prices for the Year Ending December 31, 1984

($/MMBtu)

	Residential		Commercial		Industrial	
	Price	Percent Change*	Price	Percent Change*	Price	Percent Change*
US	5.94	+ 1.0	5.53	+ 0.4	4.35	- 1.4
NE	7.82	- 6.8	6.91	- 5.5	4.90	- 2.2
MA	6.90	- 2.5	6.22	- 1.9	5.14	- 1.5
ENC	5.64	+ 1.4	5.17	0.0	4.55	- 2.6
WNC	5.48	- 0.5	5.06	+ 1.2	3.98	- 4.3
SA	6.67	+ 2.0	5.86	+ 1.4	4.39	- 1.3
ESC	5.39	- 2.5	4.99	- 3.7	3.86	- 9.2
WSC	5.24	+ 1.0	4.86	+ 1.5	3.81	- 1.0
M	5.50	+ 3.2	5.09	+ 1.0	4.07	+ 1.8
P	5.73	+ 8.1	6.56	+ 7.2	5.12	- 1.9

*Compared with the same year ending, December 31, 1984.

APPLIANCE AND HOUSING STATISTICS

(Thousands)

APPLIANCE SHIPMENTS	1984 Fourth Quarter	Percent Change[a]	Past Twelve Months	Percent Change[b]
Central Heating Equipment				
Warm Air Furnaces				
Gas	559.0	+ 4.1	1,849.2	+ 11.3
Oil[c]	55.5	+ 14.7	148.0	+ 16.3
Electric	66.3	- 13.0	354.4	+ 4.3
Boilers				
Gas	70.8	+ 21.7	179.9	+ 21.8
Oil[c]	31.2	+ 4.0	90.6	+ 9.6
Other Gas Heating Equipment				
Wall Furnaces	68.6	+ 8.9	179.3	+ 6.5
Floor Furnaces	8.0	+ 18.2	20.8	+ 10.9
Recreational Vehicle Heating Systems	38.3	- 2.0	190.5	+ 8.2
Major Appliances				
Residential Ranges				
Gas	450.5	+ 7.3	1,732.1	+ 10.1
Electric	760.1	+ 3.9	3,070.9	+ 11.5
Residential Water Heaters				
Gas[c]	897.0	+ 11.8	3,502.1	+ 10.4
Electric[c]	851.3	+ 6.2	3,480.8	+ 11.2
Commercial Water Heaters				
Gas[c]	40.5	+ 5.7	199.7	+ 13.5
Electric[c]	4.9	+ 8.9	20.8	+ 13.6
Clothes Dryers				
Gas	205.3	+ 11.0	753.6	+ 12.1
Electric	769.2	+ 9.8	2,930.8	+ 11.8
HOUSING				
Total Housing Starts	375.0	- 7.2	1,747.0	+ 2.6
Single-Family Starts	233.0	- 0.9	1,084.0	+ 1.5
Total Housing Completions (private)	438.0	+ 5.2	1,648.0	+ 18.6
Mobile Home Shipments	66.1	- 4.2	295.0	- 0.1

[a]Compared with same period in 1983.

[b]Past twelve months compared with same period a year ago.

[c]Data not expanded.

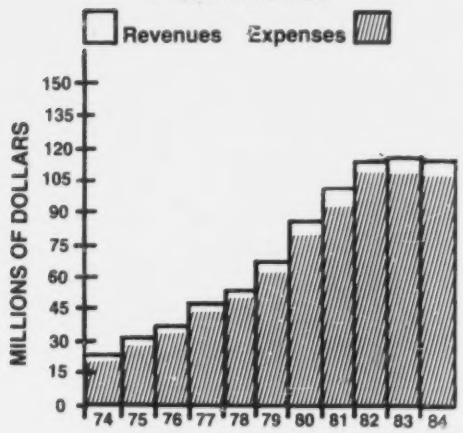
Sources: Gas Appliance Manufacturers Association, Statistical Highlights.
U.S. Department of Commerce, Housing Starts and Housing Completions.

Part II. Gas Utility Industry Historical Trends

Fourth Quarter Select Statistics

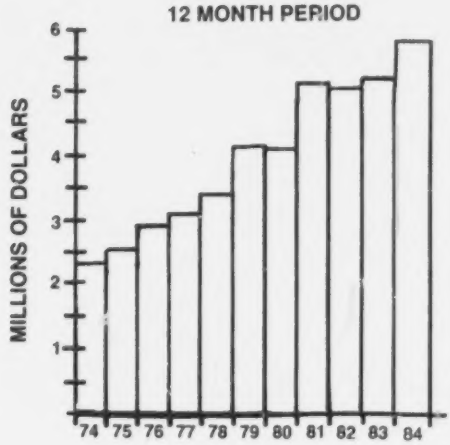
TOTAL OPERATING REVENUES & EXPENSES

12 MONTH PERIOD

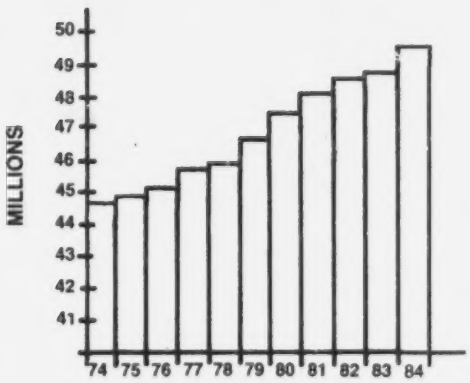


NET INCOME

12 MONTH PERIOD

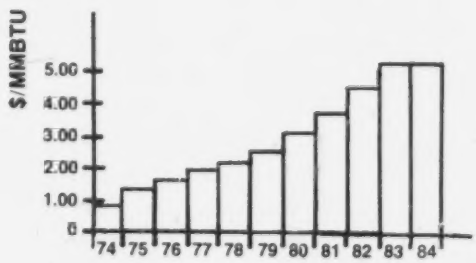


TOTAL GAS CUSTOMERS

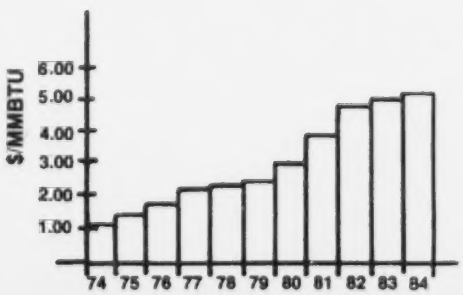


TOTAL INDUSTRY PRICES

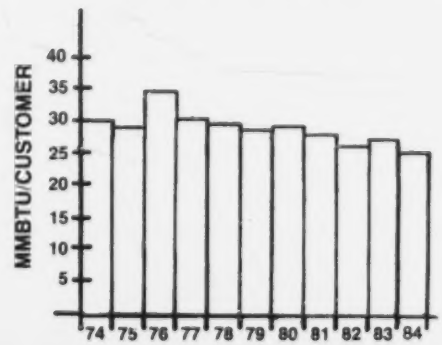
12 MONTH PERIOD



TOTAL INDUSTRY PRICES

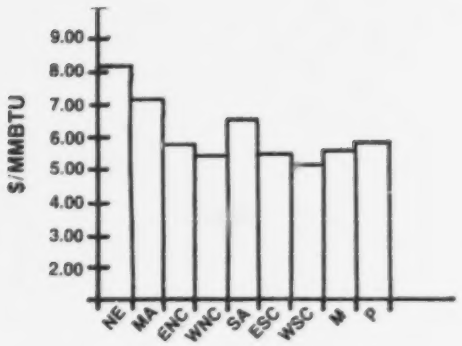


RESIDENTIAL CONSUMPTION

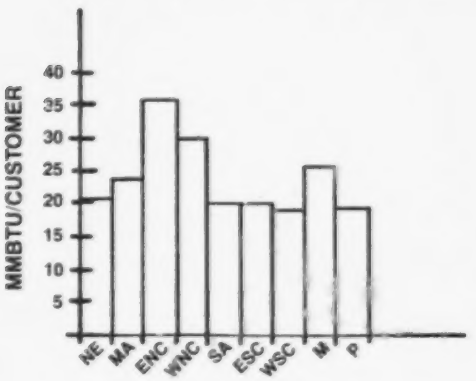


Fourth Quarter Select Statistics

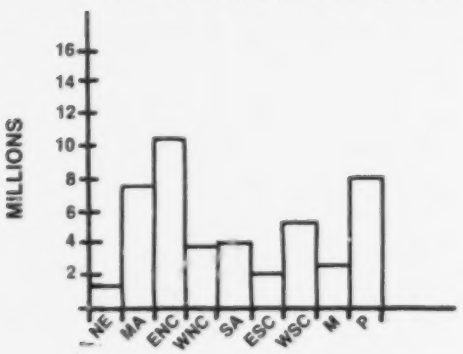
RESIDENTIAL PRICES



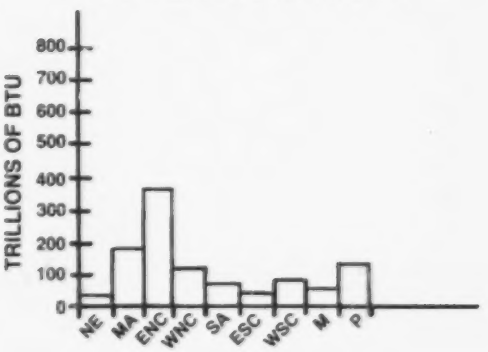
RESIDENTIAL CONSUMPTION



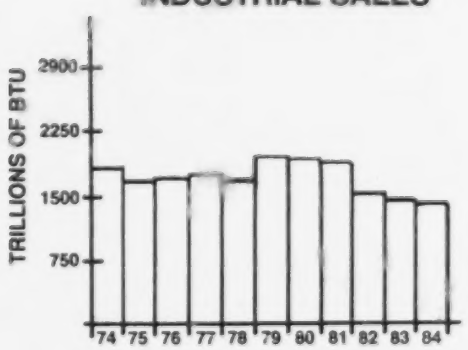
RESIDENTIAL CUSTOMERS



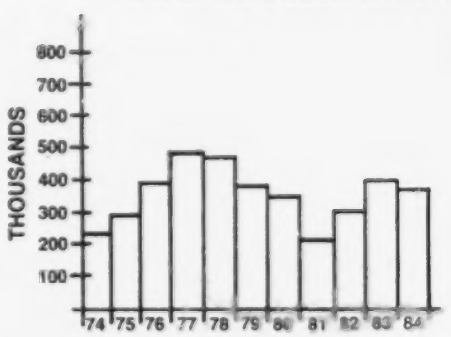
RESIDENTIAL SALES



INDUSTRIAL SALES



TOTAL HOUSING STARTS*



*Dept. of Commerce Housing Starts

AMERICAN GAS ASSOCIATION

Printed in U.S.A.

Catalog Number F00872

EDITOR - Mark Wal (703/841-8507)

A1775-1A

Quarterly Report of
Gas Industry Operations

FIRST
QUARTER
1985

AGA
American Gas Association
Department of Statistics
American Gas Association
1515 Wilson Blvd., Arlington, Virginia 22209
Telephone (703) 841-8400

Part I. Gas Utility Industry Operating Trends

Income Statement

Total operating revenues for the twelve month period ending March 31, 1985 were $116,293 million, a 2.6 percent decrease from the same period a year ago. At the same time, operating expenses decreased 3.4 percent to $97,799 million. Total interest expense decreased 2.4 percent during the period and net income decreased 2.3 percent.

Prices

Average U.S. residential gas prices rose from $5.67/MMBtu in the first quarter 1984 to $5.76/MMBtu in the first quarter 1984, a 1.6 percent increase. Commercial gas prices increased 0.6 percent while industrial prices decreased 1.1 percent during the same period.

Customers, Sales, Revenues

The total number of customers in the first quarter 1985 increased 1.3 percent over the first quarter 1984 to 50,272,000.

Total sales in the first quarter 1985 decreased 3.4 percent from the first quarter 1984, while the twelve months ending March 31, 1985 recorded a decrease of 2.6 percent from the twelve months ending March 31, 1984.

First quarter 1985 total revenues decreased 2.5 percent from the first quarter 1984, while total revenues for the twelve months ending March 31, 1985 decreased 2.3 percent from the same period ending March 31, 1984.

See Table 1 and Table 2 for detailed data on sales, revenues and customers.

INVESTOR-OWNED GAS UTILITY INDUSTRY INCOME STATEMENT
(Millions of Dollars)

	Twelve Months Ended 3/31/85	3/31/84	Percent Change 3/31/84-85
Total Operating Revenues	$116,293	$119,410	- 2.6
Operating Expenses:			
Operation Expenses	$ 97,799	$101,262	- 3.4
Maintenance Expenses	1,672	1,630	+ 2.6
Depreciation, Retirement, Depletion, Amortization, etc.	3,534	3,304	+ 7.0
Federal Income Taxes	2,836	3,143	- 9.8
All Other Taxes	4,326	3,735	+ 15.8
Total Operating Expenses	110,167	113,074	- 2.6
Operating Income	6,126	6,336	- 3.3
Other Income - Net	2,580	2,582	- 0.1
Income Before Interest Charges	8,706	8,918	- 2.4
Interest on Long-term Debt	3,060	3,029	+ 1.0
Other Interest Expense (Net)	463	582	- 20.4
Total Interest Expense	$ 3,523	$ 3,611	- 2.4
Net Income	$ 5,183	$ 5,307	- 2.3
Utility Plant Value	$ 86,202	$ 82,573	+ 4.4
Accumulated Provision for Depreciation	$ 35,946	$ 34,433	+ 4.4

Explanatory Notes

The gas utility industry is defined to be distribution and transmission companies. The income statement includes operations of mixed and manufactured gas utilities. Because this segment of the gas industry accounts for less than two percent of total operating revenues, the income statement can be considered to be representative of the natural gas utility industry.

The composite income account includes revenues from sales to ultimate consumers and from sales for resale. It should not be interpreted as a "net" or "consolidated" statement since the duplicative effect of including both pipeline sales for resale and distribution company sales to ultimate consumers has not been eliminated.

The data presented have been expanded from the reports received on the basis of their relationship to total industry data. For combination companies appropriate allocation of long-term debt interest and net income is made so that the data properly reflect the financial picture of distribution and pipeline company gas operations.

Although the composite income statement is confined to all investor-owned companies, municipal operations are included in the data for customers, sales and revenues of "Gas Utility Industry Operating Trends" reported in Part II. Totals may not equal the sum of their parts, due to independent rounding.

Table 1—Gas Utility Industry Customers, Sales and Revenues, United States, FIRST QUARTER 1985

	Quarter Ending March 31		Percent Change	Twelve Months Ending March 31		Percent Change
	1985	1984		1985	1984	
CUSTOMERS (Thousands)						
Residential	46,153.4	45,619.1	+ 1.2	SEE		
Commercial	3,887.0	3,788.4	+ 2.6			
Industrial	183.7	182.2	+ 0.8		QUARTERLY	
Other	47.9	47.7	+ 0.4			
TOTAL	50,272.0	49,637.4	+ 1.3			DATA
SALES (Trillions of Btu)						
Residential	2,166.1	2,202.6	- 1.7	4,578.2	4,735.1	- 3.3
Commercial	1,036.7	1,049.5	- 1.2	2,365.9	2,426.0	- 2.5
Industrial	1,504.3	1,619.2	- 7.1	5,921.1	6,042.1	- 2.0
Other	53.8	56.5	- 4.8	138.1	144.0	- 4.1
TOTAL	4,760.9	4,927.8	- 3.4	13,003.3	13,347.2	- 2.6
REVENUES (Thousands $)						
Residential	12,474,030	12,479,706	- 0.1	27,391,644	27,848,604	- 1.6
Commercial	5,698,676	5,744,831	- 0.8	13,115,708	13,382,766	- 2.0
Industrial	6,489,639	7,063,382	- 8.1	25,663,247	26,427,963	- 2.9
Other	251,630	272,841	- 7.8	645,377	699,096	- 7.7
TOTAL	24,913,975	25,560,760	- 2.5	66,815,976	68,358,429	- 2.3

Table 2—Gas Utility Industry Customers, Sales and Revenues, By Division, FIRST QUARTER 1985

NEW ENGLAND DIVISION

MIDDLE ATLANTIC DIVISION

EAST NORTH CENTRAL DIVISION

	NEW ENGLAND DIVISION			MIDDLE ATLANTIC DIVISION			EAST NORTH CENTRAL DIVISION		
	Quarter Ending March 31		Percent Change	Quarter Ending March 31		Percent Change	Quarter Ending March 31		Percent Change
	1985	1984		1985	1984		1985	1984	
CUSTOMERS (Thousands)									
Residential	1,683.2	1,662.7	+ 1.2	7,756.9	7,699.2	+ 0.8	10,334.3	10,257.4	+ 0.8
Commercial	142.1	137.4	+ 3.4	598.1	585.1	+ 2.2	835.2	818.4	+ 2.1
Industrial	9.2	9.1	+ 0.9	22.9	22.8	+ 0.5	47.9	47.0	+ 2.0
Other	3.9	3.9	+ 0.5	10.6	10.4	+ 1.6	3.9	3.9	- 0.2
TOTAL	1,838.4	1,813.1	+ 1.4	8,388.5	8,317.5	+ 0.9	11,221.3	11,126.7	+ 0.9
SALES (Trillions of Btu)									
Residential	70.4	69.8	+ 0.9	352.4	369.3	- 4.6	680.2	709.2	- 4.1
Commercial	36.8	36.5	+ 0.8	139.5	144.3	- 3.3	311.8	322.8	- 3.4
Industrial	18.7	18.7	+ 0.3	119.2	128.8	- 7.5	292.1	343.3	- 14.9
Other	0.9	1.0	- 5.6	16.0	17.4	- 8.2	4.4	4.4	- 0.4
TOTAL	126.8	126.0	+ 0.6	627.1	659.8	- 5.0	1,288.5	1,379.7	- 6.6
REVENUES (Thousands $)									
Residential	533,322	514,144	+ 3.7	2,356,029	2,410,506	- 2.3	3,831,846	3,848,394	- 0.4
Commercial	257,969	251,383	+ 2.6	870,269	892,767	- 2.5	1,640,877	1,651,945	- 0.7
Industrial	105,882	103,481	+ 2.3	605,067	671,178	- 9.8	1,392,144	1,584,863	- 12.2
Other	5,770	5,782	- 0.2	91,117	99,581	- 8.5	22,340	22,726	- 1.7
TOTAL	902,943	874,790	+ 3.2	3,922,482	4,074,032	- 3.7	6,887,207	7,107,928	- 3.1

TABLE 2—CONTINUED

WEST NORTH CENTRAL DIVISION

SOUTH ATLANTIC DIVISION

EAST SOUTH CENTRAL DIVISION

	Quarter Ending March 31		Percent	Quarter Ending March 31		Percent	Quarter Ending March 31		Percent
	1985	1984	Change	1985	1984	Change	1985	1984	Change
CUSTOMERS (Thousands)									
Residential	3,966.0	3,927.9	+ 1.0	4,109.8	4,026.1	+ 2.1	2,104.9	2,073.6	+ 1.5
Commercial	432.0	410.3	+ 5.3	367.7	356.6	+ 3.1	220.0	216.1	+ 1.8
Industrial	13.7	13.0	+ 5.1	14.8	14.4	+ 2.8	6.7	6.4	+ 4.5
Other	1.7	1.8	- 4.0	5.2	5.3	- 1.3	11.1	10.9	+ 2.2
TOTAL	4,413.4	4,353.0	+ 1.4	4,497.5	4,402.4	+ 2.2	2,342.7	2,307.0	+ 1.5
SALES (Trillions of Btu)									
Residential	227.2	225.1	+ 0.9	162.9	178.9	- 8.9	94.6	102.6	- 7.8
Commercial	129.6	125.7	+ 3.1	99.6	105.4	- 5.5	53.9	55.6	- 3.1
Industrial	122.2	134.4	- 9.1	132.8	147.3	- 9.9	100.6	103.9	- 3.2
Other	1.7	2.0	- 13.1	2.6	2.6	- 1.9	6.6	6.9	- 4.7
TOTAL	480.7	487.2	- 1.3	397.9	434.2	- 8.4	255.7	269.0	- 4.9
REVENUES (Thousands $)									
Residential	1,149,880	1,183,979	- 2.9	1,053,761	1,153,164	- 8.6	501,457	529,186	- 5.2
Commercial	633,978	636,908	- 0.5	595,081	628,717	- 5.3	269,564	272,645	- 1.1
Industrial	471,936	539,787	- 12.6	597,161	668,040	- 10.6	396,160	419,794	- 5.6
Other	6,201	7,356	- 15.7	11,743	11,898	- 1.3	29,278	29,876	- 2.0
TOTAL	2,261,995	2,368,030	- 4.5	2,257,746	2,461,819	- 8.3	1,196,459	1,251,501	- 4.4

WEST SOUTH CENTRAL DIVISION

MOUNTAIN DIVISION

PACIFIC DIVISION

	Quarter Ending March 31		Percent	Quarter Ending March 31		Percent	Quarter Ending March 31		Percent
	1985	1984	Change	1985	1984	Change	1985	1984	Change
CUSTOMERS (Thousands)									
Residential	5,396.0	5,347.3	+ 0.9	2,771.8	2,678.6	+ 3.5	8,030.5	7,946.3	+ 1.1
Commercial	504.0	494.4	+ 1.9	285.6	275.7	+ 3.6	502.3	494.4	+ 1.6
Industrial	22.6	23.5	- 3.8	6.5	6.8	- 3.9	39.4	39.2	+ 0.6
Other	7.7	7.7	+ 0.5	3.3	3.3	+ 1.2	0.5	0.5	- 2.4
TOTAL	5,930.3	5,872.9	+ 1.0	3,067.2	2,964.4	+ 3.5	8,572.7	8,480.4	+ 1.1
SALES (Trillions of Btu)									
Residential	205.6	221.3	- 7.1	118.4	119.2	- 0.7	254.4	207.2	+ 22.8
Commercial	101.9	106.2	- 4.0	69.0	69.8	- 1.1	94.6	83.2	+ 13.7
Industrial	393.2	494.2	- 20.4	63.3	62.5	+ 1.2	262.2	186.1	+ 40.9
Other	16.7	17.4	- 4.1	3.9	3.9	+ 1.2	1.0	0.9	+ 8.9
TOTAL	717.4	839.1	- 14.5	254.6	255.4	- 0.3	612.2	477.4	+ 28.2
REVENUES (Thousands $)									
Residential	1,004,231	1,099,684	- 8.7	605,820	613,054	- 1.2	1,437,684	1,127,595	+ 27.5
Commercial	483,180	522,639	- 7.5	336,425	346,009	- 2.8	611,333	541,818	+ 12.8
Industrial	1,425,180	1,858,850	- 23.3	249,570	253,396	- 1.5	1,246,539	963,993	+ 29.3
Other	63,034	72,703	- 13.3	17,367	18,224	- 4.7	4,780	4,695	+ 1.8
TOTAL	2,975,625	3,553,876	- 16.3	1,209,182	1,230,683	- 1.7	3,300,336	2,638,101	+ 25.1

Average Gas Prices for the First Quarter 1985

($/MMBtu)

	Residential		Commercial		Industrial	
	1st Qtr 1985	Percent Change*	1st Qtr 1985	Percent Change*	1st Qtr 1985	Percent Change*
US	5.76	+ 1.6	5.50	+ 0.6	4.31	- 1.1
NE	7.57	+ 2.7	7.01	+ 1.7	5.65	+ 2.2
MA	6.69	+ 2.5	6.24	+ 0.8	5.08	- 2.5
ENC	5.63	+ 3.7	5.26	+ 2.7	4.77	+ 3.3
WNC	5.06	- 3.8	4.89	- 3.5	3.86	- 4.0
SA	6.47	+ 0.3	5.97	0.0	4.50	- 0.9
ESC	5.30	+ 2.7	5.00	+ 2.0	3.94	- 2.5
WSC	4.88	- 1.8	4.74	- 3.7	3.62	- 3.7
M	5.12	- 0.4	4.87	- 1.8	3.94	- 2.7
P	5.65	+ 3.9	6.46	- 0.8	4.75	- 8.3

*Compared with the same quarter in 1984.

Average Gas Prices for the Year Ending March 31, 1985

($/MMBtu)

	Residential		Commercial		Industrial	
	Price	Percent Change*	Price	Percent Change*	Price	Percent Change*
US	5.98	+ 1.7	5.54	+ 0.4	4.33	- 0.9
NE	7.92	0.0	6.96	- 0.1	4.92	+ 0.4
MA	6.98	+ 0.4	6.25	- 0.6	5.10	- 1.5
ENC	5.74	+ 2.1	5.23	+ 0.4	4.60	- 1.3
WNC	5.38	- 0.9	4.98	0.0	3.94	- 3.0
SA	6.69	+ 1.2	5.86	+ 0.2	4.38	- 0.9
ESC	5.48	+ 1.5	5.03	0.0	3.83	- 7.7
WSC	5.21	+ 0.4	4.78	- 1.8	3.79	- 0.5
M	5.49	+ 3.4	5.06	+ 1.2	4.04	+ 0.7
P	5.79	+ 5.5	6.54	+ 3.2	5.02	- 3.5

*Compared with the same year ending, March 31, 1984.

APPLIANCE AND HOUSING STATISTICS

(Thousands)

APPLIANCE SHIPMENTS	1985 First Quarter	Percent Change[a]	Past Twelve Months	Percent Change[b]
Central Heating Equipment				
Warm Air Furnaces				
Gas	388.0	- 6.3	1,823.1	+ 6.7
Oil[c]	28.4	- 14.1	143.4	+ 4.0
Electric	85.8	- 5.9	349.0	- 4.9
Boilers				
Gas	32.9	+ 4.4	181.3	+ 18.9
Oil[c]	18.4	+ 12.2	92.6	+ 8.3
Other Gas Heating Equipment				
Wall Furnaces	38.4	+ 22.2	186.3	+ 10.8
Floor Furnaces	4.9	+ 8.5	21.2	+ 9.1
Recreational Vehicle Heating Systems	59.2	+ 3.5	192.5	- 0.6
Major Appliances				
Residential Ranges				
Gas	422.4	+ 0.8	1,735.3	+ 5.9
Electric	714.3	- 5.6	3,026.6	+ 4.3
Residential Water Heaters				
Gas[c]	889.8	- 5.6	3,449.5	+ 4.7
Electric[c]	848.3	- 3.4	3,450.9	+ 5.4
Commercial Water Heaters				
Gas[c]	51.6	- 9.4	194.3	+ 3.4
Electric[c]	5.1	- 13.0	20.1	+ 2.1
Clothes Dryers				
Gas	208.9	+ 4.4	762.4	+ 7.7
Electric	764.2	- 2.6	2,910.2	+ 4.8
HOUSING				
Total Housing Starts	345.0	- 8.5	1,717.0	- 2.3
Single-Family Starts	213.0	- 10.1	1,061.0	- 3.7
Total Housing Completions (private)	366.0	+ 7.3	1,677.0	+ 13.0
Mobile Home Shipments	62.3	- 8.0	289.6	- 3.4

[a]Compared with same period in 1984.

[b]Past twelve months compared with same period a year ago.

[c]Data not expanded.

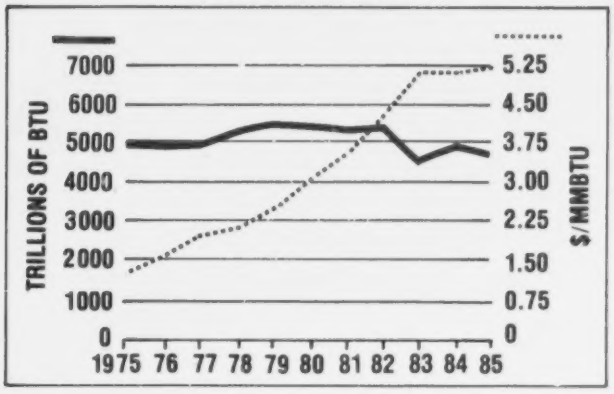
Sources: Gas Appliance Manufacturers Association, Statistical Highlights.
U.S. Department of Commerce, Housing Starts and Housing Completions.

Part II. Gas Utility Industry Historical Trends

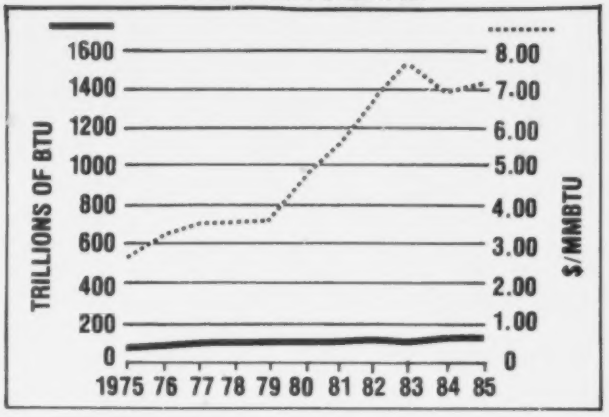
FIRST QUARTER GAS UTILITY SALES & PRICES

SALES **PRICES**

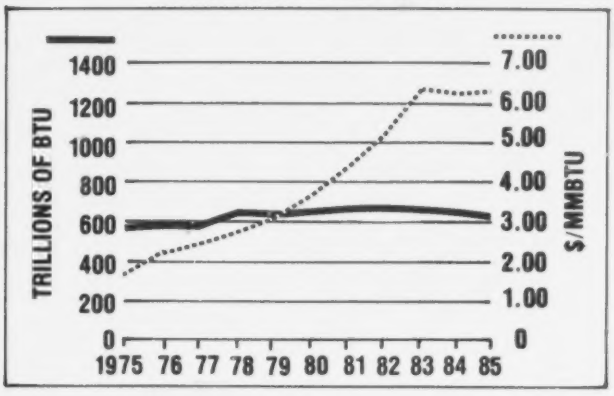
UNITED STATES



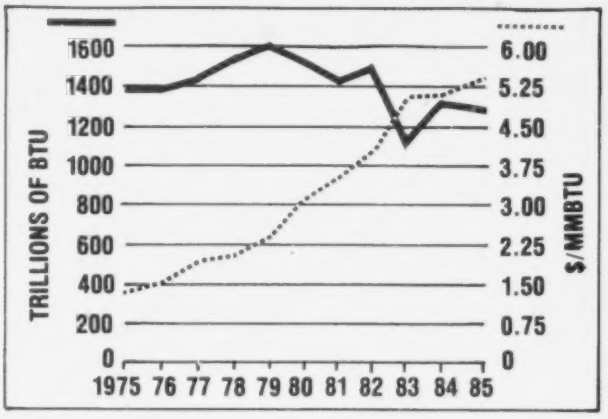
NEW ENGLAND



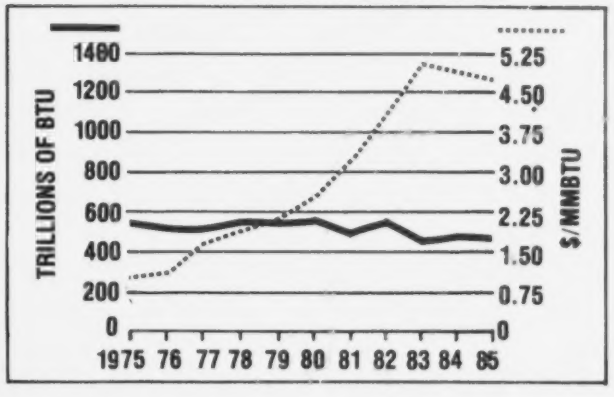
MIDDLE ATLANTIC



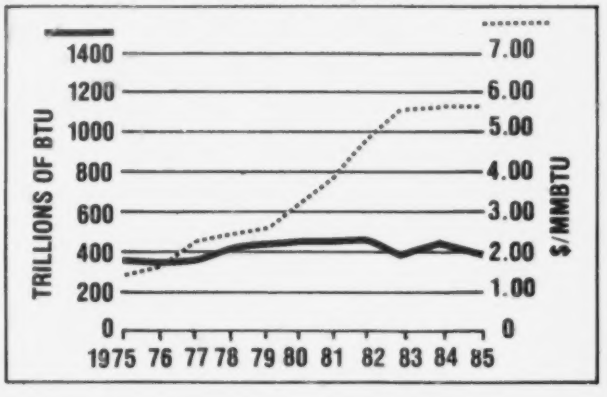
EAST NORTH CENTRAL



WEST NORTH CENTRAL



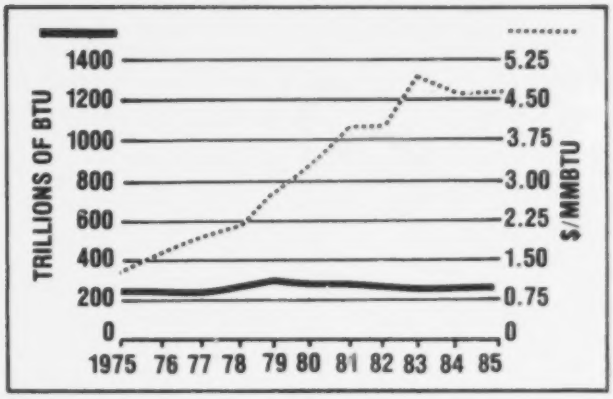
SOUTH ATLANTIC



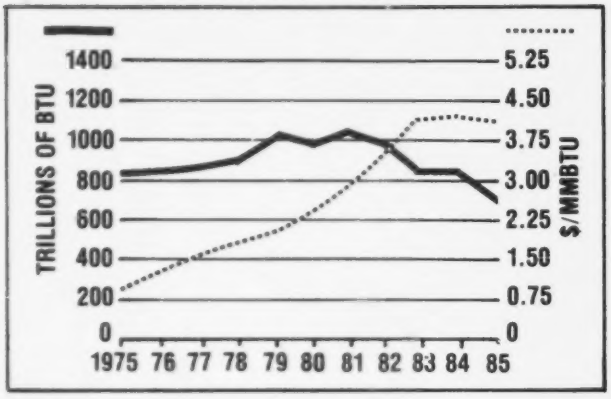
FIRST QUARTER GAS UTILITY SALES & PRICES

SALES ----- PRICES

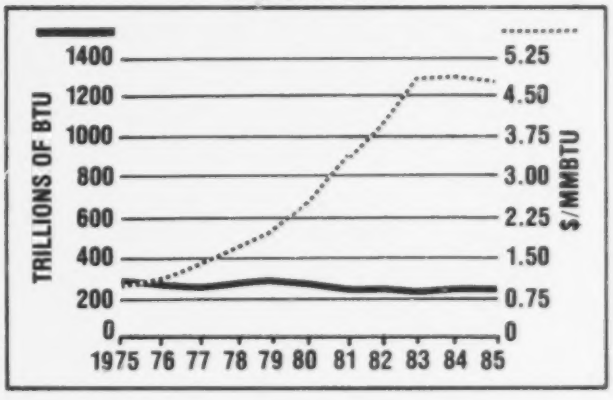
EAST SOUTH CENTRAL



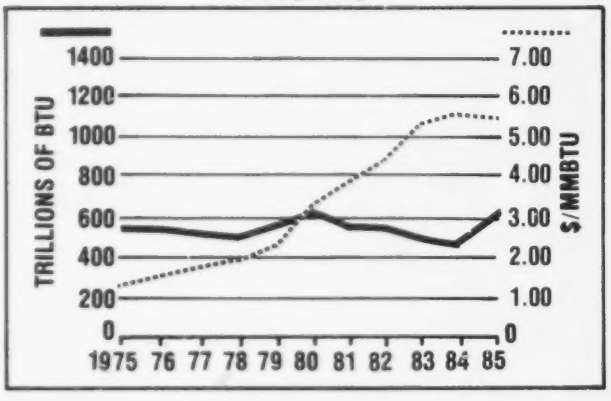
WEST SOUTH CENTRAL



MOUNTAIN



PACIFIC



AMERICAN GAS ASSOCIATION

Department of Statistics
1515 Wilson Boulevard
Arlington, Virginia 22209

EDITOR - Mark Wal
(703/841-8507)

Printed in U.S.A.
Catalog Number F00872

A1775-1A

Quarterly Report of
Gas Industry Operations

SECOND QUARTER 1985

American Gas Association

Department of Statistics
American Gas Association
1515 Wilson Blvd., Arlington, Virginia 22209
Telephone (703) 841-8400

Part I. Gas Utility Industry Operating Trends

Income Statement

Total operating revenues for the twelve month period ending June 30, 1985 were $112,075 million, a 4.9 percent decrease from the same period a year ago. At the same time, operating expenses decreased 4.8 percent to $106,286 million. Total interest expense decreased 1.7 percent during the period and net income decreased 10.4 percent.

Prices

Average U.S. residential gas prices rose from $6.03/MMBtu in the second quarter 1984 to $6.20/MMBtu in the second quarter 1985, a 2.8 percent increase. Commercial gas prices increased 0.2 percent while industrial prices decreased 3.2 percent during the same period.

Customers, Sales, Revenues

The total number of customers in the second quarter 1985 increased 1.3 percent over the second quarter 1984 to 49,956,700.

Total sales in the second quarter 1985 decreased 16.9 percent from the second quarter 1984, while the twelve months ending June 30, 1985 recorded a decrease of 6.0 percent from the twelve months ending June 30, 1984.

Second quarter 1985 total revenues decreased 17.0 percent from the second quarter 1984, while total revenues for the twelve months ending June 30, 1985 decreased 5.3 percent from the same period ending June 30, 1984.

See Table 1 and Table 2 for detailed data on sales, revenues and customers.

INVESTOR-OWNED GAS UTILITY INDUSTRY INCOME STATEMENT
(Millions of Dollars)

	Twelve Months Ended 6/30/85	6/30/84	Percent Change 6/30/84-85
Total Operating Revenues	$112,075	$117,899	- 4.9
Operating Expenses:			
Operation Expenses	$ 94,271	$ 99,853	- 5.6
Maintenance Expenses	1,643	1,601	+ 2.6
Depreciation, Retirement, Depletion, Amortization, etc.	3,404	3,154	+ 7.9
Federal Income Taxes	2,809	3,320	- 15.4
All Other Taxes	4,159	3,686	+ 12.8
Total Operating Expenses	106,286	111,614	- 4.8
Operating Income	5,789	6,285	- 7.9
Other Income - Net	2,419	2,528	- 4.3
Income Before Interest Charges	8,208	8,813	- 6.9
Interest on Long-term Debt	3,056	3,041	+ 0.5
Other Interest Expense (Net)	504	582	- 13.4
Total Interest Expense	$ 3,560	$ 3,623	- 1.7
Net Income	$ 4,648	$ 5,190	- 10.4
Utility Plant Value	$ 84,915	$ 83,517	+ 1.7
Accumulated Provision for Depreciation	$ 36,310	$ 34,825	+ 4.3

Explanatory Notes

The gas utility industry is defined to be distribution and transmission companies. The income statement includes operations of mixed and manufactured gas utilities. Because this segment of the gas industry accounts for less than two percent of total operating revenues, the income statement can be considered to be representative of the natural gas utility industry.

The composite income account includes revenues from sales to ultimate consumers and from sales for resale. It should not be interpreted as a "net" or "consolidated" statement since the duplicative effect of including both pipeline sales for resale and distribution company sales to ultimate consumers has not been eliminated.

The data presented have been expanded from the reports received on the basis of their relationship to total industry data. For combination companies appropriate allocation of long-term debt interest and net income is made so that the data properly reflect the financial picture of distribution and pipeline company gas operations.

Although the composite income statement is confined to all investor-owned companies, municipal operations are included in the data for customers, sales and revenues of "Gas Utility Industry Operating Trends" reported in Part II. Totals may not equal the sum of their parts, due to independent rounding.

BEST AVAILABLE COPY

Table 1—Gas Utility Industry Customers, Sales and Revenues, United States, SECOND QUARTER 1985

	Quarter Ending June 30		Percent	Twelve Months Ending June 30		Percent
	1985	1984	Change	1985	1984	Change
CUSTOMERS (Thousands)						
Residential	45,910.2	45,363.4	+ 1.2	SEE		
Commercial	3,818.5	3,731.7	+ 2.3			
Industrial	180.1	180.1	0.0		QUARTERLY	
Other	47.9	47.4	+ 1.0			
TOTAL	49,956.7	49,322.6	+ 1.3			DATA
SALES (Trillions of Btu)						
Residential	739.3	882.5	- 16.2	4,449.3	4,679.3	- 4.9
Commercial	396.5	464.2	- 14.6	2,315.7	2,413.3	- 4.0
Industrial	1,183.5	1,446.0	- 18.1	5,620.1	6,083.4	- 7.6
Other	25.5	28.4	- 10.2	140.8	145.7	- 3.4
TOTAL	2,344.8	2,821.1	- 16.9	12,525.9	13,321.7	- 6.0
REVENUES (Thousands $)						
Residential	4,580,679	5,321,667	- 13.9	26,741,588	27,558,143	- 3.0
Commercial	2,209,084	2,579,752	- 14.4	12,788,860	13,286,743	- 3.7
Industrial	4,950,831	6,245,307	- 20.7	24,249,096	26,484,030	- 8.4
Other	113,089	132,613	- 14.7	669,780	707,437	- 5.3
TOTAL	11,853,683	14,279,339	- 17.0	64,449,324	68,036,353	- 5.3

Table 2—Gas Utility Industry Customers, Sales and Revenues, By Division, SECOND QUARTER 1985

NEW ENGLAND DIVISION

MIDDLE ATLANTIC DIVISION

EAST NORTH CENTRAL DIVISION

	NEW ENGLAND DIVISION			MIDDLE ATLANTIC DIVISION			EAST NORTH CENTRAL DIVISION		
	Quarter Ending June 30		Percent	Quarter Ending June 30		Percent	Quarter Ending June 30		Percent
	1985	1984	Change	1985	1984	Change	1985	1984	Change
CUSTOMERS (Thousands)									
Residential	1,682.7	1,660.1	+ 1.4	7,752.5	7,687.2	+ 0.9	10,255.3	10,166.8	+ 0.9
Commercial	141.3	137.3	+ 2.9	594.0	581.0	+ 2.2	824.9	807.0	+ 2.2
Industrial	9.2	9.1	+ 1.3	22.5	22.5	- 0.2	47.7	47.4	+ 0.6
Other	4.0	4.0	+ 0.3	10.8	10.6	+ 1.4	3.9	3.9	+ 0.1
TOTAL	1,837.2	1,810.5	+ 1.5	8,379.8	8,301.3	+ 0.9	11,131.8	11,025.1	+ 1.0
SALES (Trillions of Btu)									
Residential	28.4	31.6	- 10.2	129.6	152.7	- 15.2	210.2	275.4	- 23.7
Commercial	17.2	18.7	- 7.8	54.9	64.2	- 14.5	95.9	123.7	- 22.5
Industrial	27.3	31.1	- 12.3	90.1	108.4	- 16.9	177.3	231.4	- 23.4
Other	0.5	0.8	- 31.9	6.8	8.4	- 19.4	1.6	2.1	- 25.8
TOTAL	73.4	82.2	- 11.0	281.4	333.7	- 15.7	485.0	632.6	- 23.3
REVENUES (Thousands $)									
Residential	230,787	247,175	- 6.6	931,657	1,059,183	- 12.0	1,272,024	1,568,464	- 18.9
Commercial	116,824	125,739	- 7.1	351,482	406,103	- 13.4	506,011	634,019	- 20.2
Industrial	123,051	146,664	- 16.1	435,001	547,171	- 20.5	807,303	1,030,380	- 21.6
Other	2,117	3,165	- 33.1	36,287	44,198	- 17.9	7,520	10,914	- 31.1
TOTAL	472,779	522,743	- 10.0	1,754,427	2,056,655	- 14.7	2,592,858	3,243,777	- 20.1

TABLE 2—CONTINUED

WEST NORTH CENTRAL DIVISION

SOUTH ATLANTIC DIVISION

EAST SOUTH CENTRAL DIVISION

	Quarter Ending June 30		Percent	Quarter Ending June 30		Percent	Quarter Ending June 30		Percent
	1985	1984	Change	1985	1984	Change	1985	1984	Change
CUSTOMERS (Thousands)									
Residential	3,914.2	3,903.3	+ 0.3	4,044.5	3,959.8	+ 2.1	2,067.7	2,055.8	+ 0.6
Commercial	422.1	409.3	+ 3.1	357.2	347.0	+ 2.9	210.9	209.4	+ 0.7
Industrial	13.0	12.9	+ 0.5	14.9	14.5	+ 2.8	6.4	6.3	+ 2.4
Other	1.8	1.8	- 1.9	5.5	5.5	- 0.9	10.6	10.4	+ 1.7
TOTAL	4,351.1	4,327.3	+ 0.5	4,422.1	4,326.8	+ 2.2	2,295.6	2,281.9	+ 0.6
SALES (Trillions of Btu)									
Residential	66.8	85.1	- 21.5	51.4	65.0	- 20.9	25.5	33.9	- 24.8
Commercial	41.2	50.9	- 19.0	43.8	51.2	- 14.4	18.3	21.5	- 15.0
Industrial	88.0	96.5	- 8.8	128.1	150.3	- 14.8	79.0	94.9	- 16.7
Other	1.4	1.5	- 5.3	1.5	1.6	- 5.2	1.8	2.5	- 26.6
TOTAL	197.4	234.0	- 15.6	224.8	268.1	- 16.1	124.6	152.8	- 18.5
REVENUES (Thousands $)									
Residential	358,722	476,770	- 24.8	362,892	440,938	- 17.7	149,476	188,661	- 20.8
Commercial	194,805	256,423	- 24.0	252,149	298,295	- 15.5	93,247	107,021	- 12.9
Industrial	329,965	390,260	- 15.4	541,582	666,726	- 18.8	306,398	364,673	- 16.0
Other	4,227	5,406	- 21.8	6,808	7,789	- 12.6	8,559	11,306	- 24.3
TOTAL	887,719	1,128,859	- 21.4	1,163,431	1,413,748	- 17.7	557,680	671,661	- 16.7

WEST SOUTH CENTRAL DIVISION

MOUNTAIN DIVISION

PACIFIC DIVISION

	Quarter Ending June 30		Percent	Quarter Ending June 30		Percent	Quarter Ending June 30		Percent
	1985	1984	Change	1985	1984	Change	1985	1984	Change
CUSTOMERS (Thousands)									
Residential	5,326.2	5,299.7	+ 0.5	2,753.7	2,671.7	+ 3.1	8,113.4	7,959.0	+ 1.9
Commercial	486.3	480.2	+ 1.3	277.4	268.7	+ 3.3	504.4	491.8	+ 2.6
Industrial	21.1	22.1	- 4.4	6.8	6.9	- 1.9	38.5	38.4	+ 0.4
Other	7.6	7.6	+ 0.4	3.4	3.3	+ 3.7	0.3	0.3	- 4.8
TOTAL	5,841.2	5,809.6	+ 0.5	3,041.3	2,950.6	+ 3.1	8,656.6	8,489.5	+ 2.0
SALES (Trillions of Btu)									
Residential	58.3	68.5	- 14.8	44.5	53.5	- 16.9	124.6	116.8	+ 6.7
Commercial	38.2	43.5	- 12.2	29.2	34.8	- 16.0	57.8	55.7	+ 3.7
Industrial	295.1	458.9	- 35.7	46.1	55.7	- 17.1	252.5	218.8	+ 15.4
Other	8.4	7.9	+ 6.3	3.0	3.1	- 3.3	0.5	0.5	+ 1.9
TOTAL	400.0	578.8	- 30.9	122.8	147.1	- 16.5	435.4	391.8	+ 11.1
REVENUES (Thousands $)									
Residential	330,181	373,635	- 11.6	247,252	298,686	- 17.2	697,688	668,155	+ 4.4
Commercial	174,909	206,529	- 15.3	145,513	178,347	- 18.4	374,144	367,276	+ 1.9
Industrial	1,029,069	1,731,273	- 40.6	181,507	228,311	- 20.5	1,196,955	1,139,849	+ 5.0
Other	32,282	32,774	- 1.5	12,251	13,812	- 11.3	3,038	3,249	- 6.5
TOTAL	1,566,441	2,344,211	- 33.2	586,523	719,156	- 18.4	2,271,825	2,178,529	+ 4.3

Average Gas Prices for the Second Quarter 1985

($/MMBtu)

	Residential		Commercial		Industrial	
	2nd Qtr 1985	Percent Change*	2nd Qtr 1985	Percent Change*	2nd Qtr 1985	Percent Change*
US	6.20	+ 2.8	5.57	+ 0.2	4.18	- 3.2
NE	8.13	+ 4.0	6.78	+ 0.9	4.51	- 4.4
MA	7.19	+ 3.6	6.40	+ 1.1	4.83	- 4.4
ENC	6.05	+ 6.1	5.28	+ 2.9	4.55	+ 2.3
WNC	5.37	- 4.1	4.72	- 6.3	3.75	- 7.2
SA	7.06	+ 4.1	5.75	- 1.4	4.23	- 4.7
ESC	5.86	+ 5.2	5.10	+ 2.4	3.88	+ 1.0
WSC	5.66	+ 3.9	4.58	- 3.6	3.49	- 7.4
M	5.56	- 0.4	4.98	- 2.7	3.93	- 4.1
P	5.60	+ 2.1	6.48	- 1.7	4.74	- 9.0

*Compared with the same quarter in 1984.

Average Gas Prices for the Year Ending June 30, 1985

($/MMBtu)

	Residential		Commercial		Industrial	
	Price	Percent Change*	Price	Percent Change*	Price	Percent Change*
US	6.01	+ 2.1	5.52	+ 0.3	4.31	- 0.9
NE	7.96	+ 2.3	6.93	+ 1.3	4.93	+ 0.2
MA	7.16	+ 3.1	6.32	+ 0.7	4.97	- 3.0
ENC	5.76	+ 2.9	5.22	+ 0.8	4.60	+ 0.8
WNC	5.32	- 2.2	4.83	- 2.6	3.98	- 3.0
SA	6.72	+ 1.9	5.87	+ 0.6	4.39	- 1.0
ESC	5.51	+ 2.8	5.05	+ 1.4	3.91	- 2.7
WSC	5.27	+ 1.4	4.74	- 2.2	3.68	- 2.7
M	5.43	+ 1.6	5.00	+ 0.3	3.98	- 1.0
P	5.72	+ 2.1	6.50	+ 0.7	4.94	- 5.1

*Compared with the same year ending, June 30, 1984.

APPLIANCE AND HOUSING STATISTICS

(Thousands)

APPLIANCE SHIPMENTS	1985 Second Quarter	Percent Change[a]	Past Twelve Months	Percent Change[b]
Central Heating Equipment				
Warm Air Furnaces				
Gas	358.3	- 3.6	1,809.7	+ 2.9
Oil[c]	19.5	+ 4.9	144.3	+ 5.0
Electric	97.7	- 6.0	342.8	- 7.7
Boilers				
Gas	31.4	+ 4.1	182.5	+ 15.6
Oil[c]	21.4	+ 34.3	98.1	+ 15.6
Other Gas Heating Equipment				
Wall Furnaces	36.8	+ 18.9	192.1	+ 13.2
Floor Furnaces	3.2	+ 0.7	21.2	+ 9.7
Recreational Vehicle Heating Systems	55.8	- 7.3	188.1	- 6.3
Major Appliances				
Residential Ranges				
Gas	442.9	+ 4.7	1,755.3	+ 6.3
Electric	781.4	+ 1.9	3,045.5	+ 2.6
Residential Water Heaters				
Gas[c]	872.3	- 2.0	3,431.5	+ 2.1
Electric[c]	862.1	- 5.9	3,397.0	+ 0.4
Commercial Water Heaters				
Gas[c]	54.5	- 7.1	190.1	- 3.3
Electric[c]	5.1	- 6.1	19.7	- 3.2
Clothes Dryers				
Gas	185.8	+ 13.9	785.1	+ 9.7
Electric	726.6	+ 11.9	2,987.4	+ 6.7
HOUSING				
Total Housing Starts	509.0	- 5.2	1,690.0	- 4.6
Single-Family Starts	318.0	- 4.5	1,048.0	- 5.8
Total Housing Completions (private)	422.0	- 0.9	1,672.0	+ 5.1
Mobile Home Shipments	79.3	- 3.8	286.5	- 4.8

[a]Compared with same period in 1984.

[b]Past twelve months compared with same period a year ago.

[c]Data not expanded.

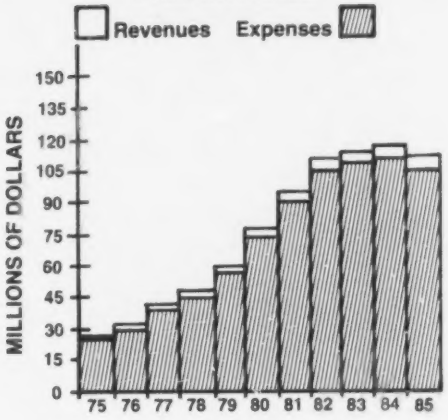
Sources: Gas Appliance Manufacturers Association, Statistical Highlights.
U.S. Department of Commerce, Housing Starts and Housing Completions.

Part II. Gas Utility Industry Historical Trends

Second Quarter Select Statistics

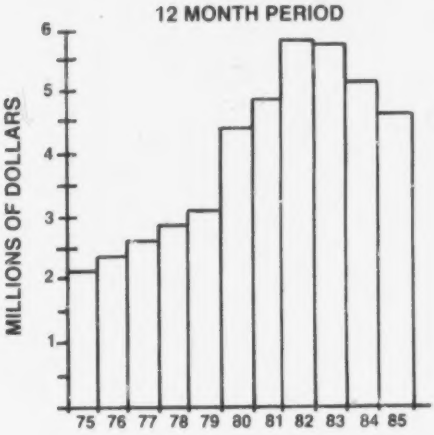
TOTAL OPERATING REVENUES & EXPENSES

12 MONTH PERIOD

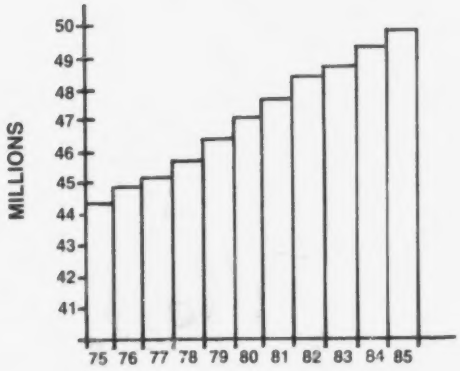


NET INCOME

12 MONTH PERIOD

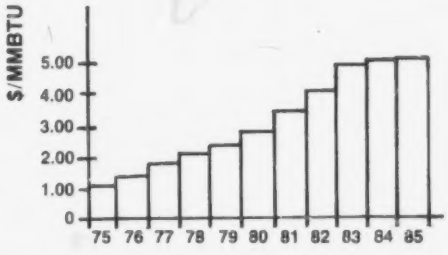


TOTAL GAS CUSTOMERS

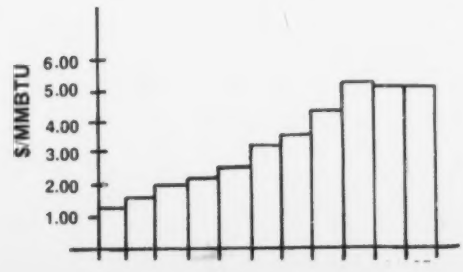


TOTAL INDUSTRY PRICES

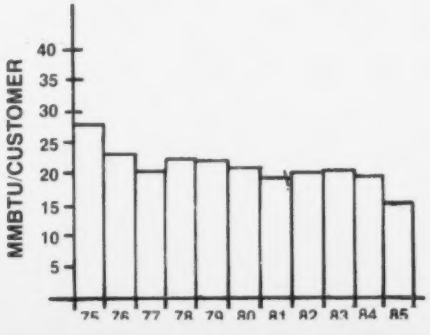
12 MONTH PERIOD



TOTAL INDUSTRY PRICES

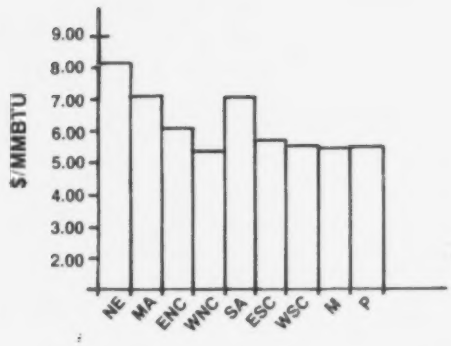


RESIDENTIAL CONSUMPTION

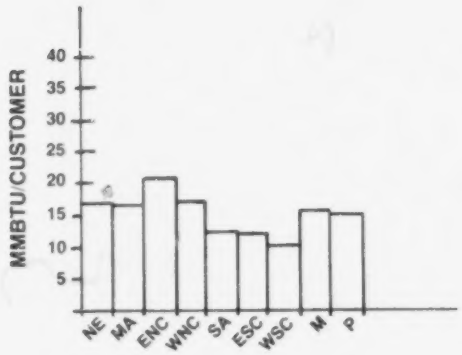


Second Quarter Select Statistics

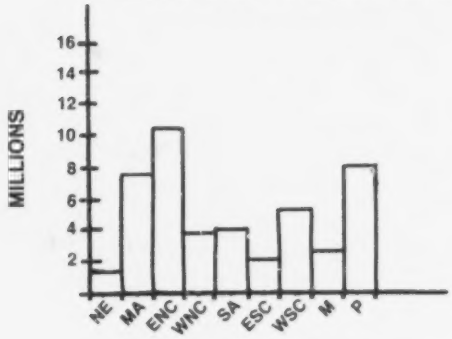
RESIDENTIAL PRICES



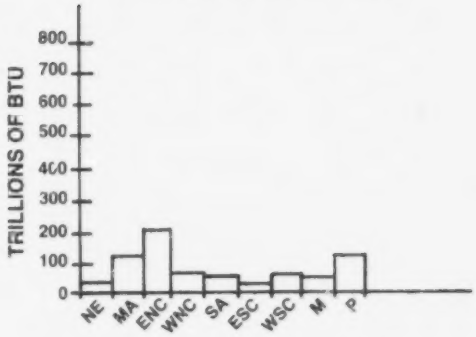
RESIDENTIAL CONSUMPTION



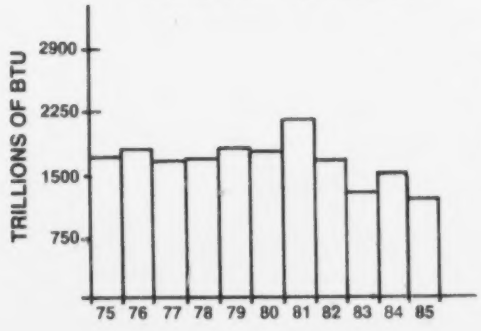
RESIDENTIAL CUSTOMERS



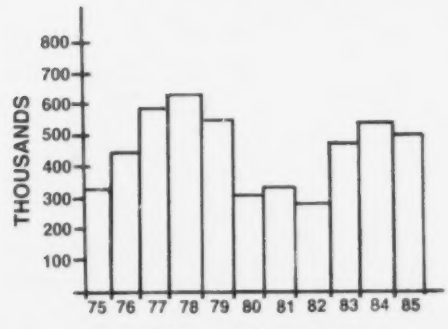
RESIDENTIAL SALES



INDUSTRIAL SALES



TOTAL HOUSING STARTS*



*Dept. of Commerce Housing Starts

AMERICAN GAS ASSOCIATION

Printed in U.S.A.

Catalog Number F00872

EDITOR - Carole Williams-Hopkins (703/841-8507